



**MINISTRY OF SOCIAL
DEVELOPMENT**

TE MANATŪ WHAKAHIATO ORA

13 MAR 2018



Dear 

On 14 February 2018, you emailed the Ministry requesting, under the Official Information Act 1982, a copy of the document titled '*An evaluation of the Special Needs Grant and Special Benefit Programmes*' published by the Department of Social Welfare's Policy Agency in 1993.

Please find enclosed a copy of the document titled '*An Evaluation of the Special Needs Grant and Special Benefit Programmes*', published 1993. You will note that the names of some individuals have been withheld under section 9(2)(a) of the Official Information Act to protect the individuals privacy. The need to protect the privacy of these individuals outweighs any public interest in this information.

The principles and purposes of the Official Information Act 1982 under which you made your request are:

- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter and any attached documents available to the wider public shortly. The Ministry will do this by publishing this letter and attachments on the Ministry of Social Development's website. Your personal details will be deleted and the Ministry will not publish any information that would identify you as the person who requested the information.

If you wish to discuss this response with us, please feel free to contact OIA_Requests@msd.govt.nz.

If you are not satisfied with this response, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Yours sincerely

Fiona Carter-Giddings
General Manager, Employment and Income Support

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PRESERVATION

An Evaluation of the

Special Needs Grants

and

Special Benefit Programmes

The Evaluation Team:

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**Evaluation Unit
Social Policy Agency
1993**

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PRESERVATION

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ABSTRACT

During 1992, the Evaluation Unit of the Social Policy Agency carried out an evaluation of two supplementary income maintenance programmes. Both are discretionary programmes for the relief of low income people in special or unusual circumstances. Special Needs Grants provide one-off payments for people in emergency situations and the Special Benefit provides an on-going payment for people with on-going special commitments.

The two programmes had originally been designed to make a flexible response to a small proportion of people who found themselves in unusual emergency circumstances. At the time the study took place, both programmes were under pressure from a large and expanding group of people in these circumstances. A number of developments in the two years prior to the study had tended to depress the living standards of people with low incomes. The study found that increased emphasis on targeting in other social services and programmes had led to a greater reliance on these residual and discretionary programmes to meet basic and on-going needs.

Problems were evident in both programmes. Within the Special Needs Grants programme, criteria which had been developed for an earlier context now resulted in cases of emergency need being excluded. The Special Benefit programme was found to be highly targeted and complex to the point of reducing its accessibility and capacity to meet the needs it was designed to meet.

Delivery systems were not coping well with the influx of requests for assistance. Barriers to the two programmes were found to be a lack of clear and consistent information, variation in the quality of service provided by staff, and obstructive application procedures.

The report discusses issues relating to programme design in the light of these findings: the problems and positive features of discretionary systems; delivery issues, such as the provision of information; and the achievement of consistency and equity within targeted systems.

INTRODUCTION

This report examines the findings and the policy and delivery implications of an evaluation of Special Needs Grants and Special Benefit. The broad objectives of the evaluation were to obtain a picture of the manner in which the two programmes were being administered, and to examine the efficacy of the two programmes in meeting people's needs.

The objective of the Special Needs Grants programme is "to provide financial assistance to meet immediate need in emergency situations." A Special Needs Grant is a single payment made for a specific purpose. If practicable, the payment is made directly to a supplier of goods or services. Some categories of Special Needs Grants can be recovered from the recipient's future income.

The objective of the Special Benefit programme is "to provide financial assistance to people in special or unusual circumstances to help meet the deficiency between their income and [their on-going] essential commitments". The level of payment is determined by a formula which calculates the gap between "chargeable income" and the expenditure required to meet essential commitments.¹

An evaluation team of six researchers collected information from six Department of Social Welfare districts during April and May 1992. This period immediately preceded the restructuring of the Department. In June 1992, the Social Policy Agency became responsible for social welfare policy development and the New Zealand Income Support Service became responsible for the delivery of income maintenance services. Following its establishment, the New Zealand Income Support Service has introduced a number of initiatives to improve its service. This evaluation of the operational aspects of the two programmes can be seen as a baseline study which was undertaken before the changes were introduced and from which the effects of these initiatives can be assessed.

The six districts were chosen to cover a range of local situations rather than to provide data which were statistically representative of the national situation. However, it is reasonable to believe that the results give a broad indication of the national picture. Sources of information included:

- Departmental staff (seven group interviews with income support staff; five group interviews with social work staff; and 17 interviews with supervisors or managers);
- Clients and potential clients of both programmes (156 interviews, including 123 Special Needs Grants applicants and 32 Special Benefit applicants/recipients);² and
- Community organisations involved in the provision of emergency support services (eight community agency forums and 31 interviews with community agency representatives).

¹ Detailed information about qualifying criteria for the two programmes is contained in Appendix I.

² Twelve interviews were carried out with clients of both programmes and 13 interviews with "potential" clients (people in emergency need who had not applied to either programme).

The researchers also obtained, for both programmes, aggregated national data produced by the Department of Social Welfare's information technology services (TRITEC).

The findings and conclusions are set out below under the broad headings of the changing environment, policy issues and operational issues for the two programmes.

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THE CHANGING ENVIRONMENT

1. Was the demand for emergency supplementary assistance increasing?

The Special Needs Grants and Special Benefit programmes were originally designed to make a flexible response to a small proportion of people who found themselves in unusual emergency circumstances. In the year prior to the study both programmes came under pressure from the increasing number of people who found themselves in these circumstances. Many of these people faced repeated emergencies arising from financial hardship.

The average monthly expenditure for Special Needs Grants increased by 114% between the half year ending 30 June 1991 and the half year ending 30 June 1992.³ Some of this increase in demand was facilitated by changes in policy early in 1992, which allowed more than one Special Needs Grant per year for food or clothing or medical expenses. The average monthly payment for Special Benefit had increased by 19% between the half year ending 30 June 1991 and the half year ending 30 June 1992.⁴ By contrast, expenditure on parent benefits⁵ rose by 0.4% and the number of benefits in force increased by 2% between the year ending 30 June 1991 and the year ending 30 June 1992.⁶ (During this period benefit levels were reduced.)

A significant proportion of beneficiaries were applying for Special Needs Grants. Using data obtained from the Department's information technology services (TRITEC), it is estimated that, during the first six months of 1992, 17% of beneficiaries⁷ received at least one Special Needs Grant. Because of changes in the Department's information processing, it is not possible to compare this figure with earlier periods.

In addition, a significant proportion of people were making repeated applications for Special Needs Grants. Sixty percent of the 156 programme clients (both Special Needs Grants and Special Benefit applicants) interviewed for the study had already applied for at least one Special Needs Grant in the previous year. Customer analysis for the year ending 28 February 1993 indicates that 47% of all the people who received a Special Needs Grant during the period received more than one grant.⁸

³ Calculated using data from Special Needs Grants, an updated report to the Minister of Social Welfare, Tritec, 10 March 1993.

⁴ Calculated using data from Statistical Information Report, Department of Social Welfare, 1992. In this report the graphs for Special Benefit and Disability Allowance were mistakenly interchanged. The figure quoted has been calculated using the graph on page 45.

⁵ Benefits counted were: Widows, Domestic Purposes, Unsupported Child, Invalids, Miners, Sickness, Unemployment and Training benefits.

⁶ Statistical Information Report op. cit.

⁷ Parent benefits counted were Unemployment, Sickness, Domestic Purposes, Invalids and Widows benefits.

⁸ Special Needs Grants op. cit.

The growing number of people in financial difficulties also resulted in an increase in the number of people seeking emergency assistance from community organisations. Forty four percent of the programme clients interviewed stated that they had received material help from community organisations in the previous year. Community organisations who distributed food parcels all reported increases in the numbers of people requesting assistance over the year prior to the study.

2. Why was demand for emergency supplementary assistance increasing?

The two programmes had been operating, in the year prior to the study, in an environment of government budgetary restraint and intense change in all aspects of social policy. Many of these changes particularly affected those on the lowest incomes, who were potential programme applicants.

Several concurrent developments had tended to depress the living standards of people with low incomes. These developments included increased user charges (e.g. for health services, public housing and education, for which there was increasing pressure to pay programme fees and voluntary contributions at primary and secondary levels); increases in other costs (e.g. transport and electricity); the reductions in basic benefit levels which commenced in April 1991; and a tightening in benefit eligibility which brought about an increase in the number and length of benefit stand downs. The level of unemployment remained high⁹ and the number of workers on low rates of payment had been increasing.¹⁰

Health

Applications for Special Needs Grants for health related reasons had increased. This reflected changes in health policy. More applications were being made to meet general practitioner, pharmacy and hospital charges. Other applications were for special clothing and accessories previously covered by the Health Department and for expenses incurred in travelling to receive treatment. This was particularly a problem for people living in smaller centres where some health services had been withdrawn.

Significant proportions of the programme clients interviewed reported, without prompting, difficulties in meeting doctors' (17%) and prescription (13%) charges. Although all of these people had a Community Services Card, their perception was that this had reduced their medical costs minimally, if at all. Special Needs Grants were not seen as easily accessible for such small items and a number of clients in the sample reported going without health care rather than applying for assistance. One of those interviewed stated:

⁹ Department of Statistics Hot off the Press: Household Labour Force Survey, March 1993 quarter. The HLFS unemployment rate had been above ten per cent since the March 1991 quarter.

¹⁰ Department of Statistics Household Expenditure and Income Survey 1989-90; 1990-91; 1991-92. Between 1989-90 and 1991-92, the proportion of full time wage and salary earners receiving \$5000 or less rose from 13.5% to 16.6%. The proportion earning \$10,000 or less rose from 18.1% to 21.4%.

"My child has been sick, vomiting blood; I can't take her to the doctor; I have to wait two weeks till I have saved up.... I have asthma and have to miss out on my pumps [inhalers]. It can cost up to \$20 even with the card."

Community organisations were also concerned about their clients going without necessary health care. One agency representative stated:

"..individuals need to go to specialist treatment outside the area; the assistance people get does not meet the cost [of travelling more than 200km] with no transport. People will miss out on their treatment; [for instance] one man who needs to go [over 200km] for fitting of a new limb, needs two fittings a year."

Education

In the area of education, programme clients and community organisations reported that costs and fees had increased and that schools were increasing the pressure to pay fees and some programme costs. Some parents reported that their children were unable to participate fully in school programmes because of their inability to pay. Parents with children at school said:

"My 15 year old is fed up with being told she is missing out. The school needs so much money - \$13 for metalwork and \$3 for a concert last week. It averages \$20 a month without fees. It's embarrassing for kids when you have to pay things off. She didn't do the course on the marae and the computer course. She will not do them to avoid embarrassment."

"School uniforms are a killer. My daughter was pointed out in class three times because she hadn't paid for her woodwork. She came home crying."

A community budget advisor said:

"The cost of kids at high school, fees, books etc are horrendous. I have estimated this at \$500 or more per year. There is no allowance for this at DSW. There is a need to encourage kids to stay at high school. Kids are pulled up by the teachers for not having the uniform."

Housing

Housing New Zealand rent increases had further reduced their tenants' disposable income. More clients reported they were in danger of eviction because of more stringent policies regarding rent arrears. These changes were responsible for the high proportion of Housing New Zealand clients among the programme applicants. One third of the full sample and more than half of the 18 Special Benefit applicants interviewed were clients of Housing New Zealand. There was a high rate of decline in Special Benefit applications for this group, however. A community agency representative stated:

"People are getting stressed out with the changes; people have been told their market rent. Some rents have increased already; for some an extra \$9 and the same amount in the second phase. Some are trying to buy a house but find there is a shortfall of

about \$22,000 over the mortgage; some have gone into shared living situations. Many are worried that their house might be sold and they will have to find other accommodation."

Reductions in benefits

Referring to reductions in benefit levels in 1991, staff, programme clients and community agencies generally believed that basic benefits were now inadequate to meet the necessities of life. Programme clients and community agencies reported the benefit cuts had resulted in a reduced quality of life, increased feelings of desperation and increased social problems. Clients had reduced disposable income to deal with larger basic items, such as children's shoes or winter power bills. Comments about reductions in benefits made during interviews included the following:

"The benefit went down and the cost of living went up. It took us from the ability to manage without having to ask for help to put us in a state that at times we weren't able to cope [without asking for help]." (a programme client)

"Our standard of living was not good before the benefit cuts but we could have a social life every now and then. After the cuts we couldn't afford the phone, or go out, or go to the doctor - a lot of things went. Men are going to beat up on the Mrs with the stress of not being able to provide. No one else has to take cuts in income. It's taking dignity away from people." (a programme client recently separated from a violent partner)

"They just can't manage any more with the cuts to benefits and lots of changes to Special Benefit. They are coming in more for food". (a DSW staff member)

"We are seeing people that are suffering depressive illnesses because of benefit cuts; people are also starving themselves." (a community agency representative)

"Before the benefit reductions were made we had less people coming here. Those who did come we were able to assist them. It really has been since the benefit reductions that we have come up to the stage of having 50 or 60 people a day; it's out of all proportion to what it ever should be." (a community agency representative)

Benefit stand down policies

Referring to benefit stand down policies, staff reported a growing need for supplementary assistance for clients during the transition to full benefit entitlement. Not all clients placed on stand down received emergency assistance. Community agencies were maintaining clients who had no income for long periods, or were supporting clients through stand down periods by supplementing Special Needs Grants. Nine per cent of the programme applicants in the sample were on benefit stand down or were affected by a recent stand down. All were in debt and in a situation of continual crisis.

3. Who were the programme applicants and why were they applying?

Special Needs Grants applicants interviewed for the study tended to be young (under 35 years), and to have dependent children, although a significant minority (one third) were single with no dependents. The ethnicity of the programme clients interviewed¹¹ was as follows: 57% were European; 24% were Maori; 6% were Samoan; 1% were Tongan; and 1% were Cook Islands in ethnic origin. Six per cent described themselves as being from two or more ethnic groups and three per cent were of "other" ethnic origin. (Two per cent made no response.)

Few applicants were non-beneficiaries. The small proportion of non-beneficiaries would appear to be more likely to reflect a lack of knowledge of the availability of assistance than a lack of need among this group.

Although applications for all basic categories of Special Needs Grants (such as food, clothing, medical costs, electricity, and accommodation) were increasing, the shortage in clients' budgets was most commonly expressed in applications for food. However, where a shortage of food was the presenting problem, the food budget had often been spent on other necessities, such as doctor and pharmacy charges. A graph of the number of Special Needs Grants payments by reason for payment for the half year ending June 1992 appears in Appendix 2. This shows that there were approximately three times as many payments for food as for the next most used category, clothing or bedding. Accommodation and medical costs were also frequently used categories of Special Needs Grants payments.

Needs could vary with age and family type. Of those interviewed, younger people (under 25) were more likely than older people to request assistance with accommodation and single people with dependent children were more likely than other family types to request assistance with food.

Applicants for Special Benefit tended to be either people newly redundant with high pre-benefit costs, or longer term beneficiaries facing changes in their fixed costs, particularly accommodation. Staff reported that applications from both groups were increasing. Special Benefit applicants and recipients were more likely to have dependent children.

Programme clients reported a reduced ability to meet their basic needs. They described the difficulties they faced (in reply to an open ended unprompted question) as: a chronic shortage in their budget; having to do without essential items (for example, a fridge); and a shortage of food. Six percent of the sample faced immediate crises (for example, eviction). Some of the perceived consequences of financial difficulties were poor emotional health and feeling impelled towards a marginal style of life (for example, having obtained food through theft). Some of the ways in which the programme clients described their difficulties were as follows:

¹¹ This can be compared with the proportions of beneficiaries of different ethnic groups from the 1991 census. Counting Unemployment, Sickness, Invalids, Domestic Purposes and Family Support beneficiaries, 69% were European, 23% NZ Maori, 6% Pacific Islands and 2% "other" in ethnic origin.

"I cut back on food. That is one of the biggest expenses. If you need extra money that is where you find it. We eat less meat, we have no extras. We eat the plain basics - bread and milk. I grow my own veges, but that costs money, but it helps keep the grocery bill down. The kids are always on about having something sweet. My older child sometimes gets scared when there seems little in the house to eat. The children get angry when we can't afford it."

"We have been through upheaval...my four year old sees an empty house and says 'we could have that one'.... My children have no winter clothes. I had considered giving them up [for adoption]... I go without myself and I am made to feel a lesser person. I fear for the future; it is a constant headache; I don't know how I will manage."
(a programme client living in emergency housing)

"I'm reduced to rags. I contemplated committing suicide, that's how low I had gotten... I haven't eaten since last night. I can't afford to buy food."

Family difficulties experienced by programme clients were: being unable to provide children with ordinary recreational opportunities (for example participation in sports); meeting schooling costs; being unable to meet the additional needs of older (teenage) children; and relationship breakdown and separation. Some of the programme clients described the difficulties faced by their families as follows:

"The kids can't join groups... I wanted to give them opportunities... I paid for [soccer clothes] out of the grocery money.... I make the children run to keep warm."

"The children see kids with lollies and Mr Whippy. I would like my daughter to do marching - do little girl things. There's not a hope in hell. I can't even afford a mat for the floor for the children."

"My son eats like an adult but I am paid for a child. You feel your head's going to explode trying to meet their needs. My 14 year old needs clothes. I go to second hand shops."

Four per cent of the programme applicants interviewed were non-custodial parents having difficulty providing for their children during access times. They most commonly applied for Special Needs Grants for food. One person in this position stated:

"The thing that makes it really difficult is that I have my children three days a week. My single benefit isn't even enough to look after myself, let alone my children for three days. And I pay LPC [Liable Parent Contribution] as well which I find ridiculous since I have my children half the time. It's only \$10 but I need that extra money." ¹²

¹² In 1991 the shared custody policy for Domestic Purposes Beneficiaries was changed. A new Child Support Act took effect in July 1992.

Twenty-one percent of the programme clients interviewed described housing difficulties (other than rent increases). The difficulties included living in substandard or emergency housing, not having any permanent accommodation, or having no choice but to live in an isolated location because of income.

In conclusion, the reductions in disposable income from the changes described had been largely absorbed by people reducing their standard of living. Many of those interviewed for the study were in a situation of perpetual emergency. Single people in particular were absorbing a high level of the increased costs without assistance. Community agencies were supporting numbers of beneficiaries and low income people, some on an on-going basis. It is difficult to assess what proportion of the costs of the changes were being transferred to the Special Needs Grants and Special Benefit programmes. Nevertheless, the demand for these programmes had been growing and could be expected to continue to grow.

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POLICY ISSUES

It appeared that very little of the assistance went to people who were not in need. Thus there was very little wastage. However, the programmes were only partly effective in that substantial numbers who were in need did not receive adequate assistance. This assessment is based on the clients' perceptions of the assistance received; on their reports of going without basic necessities; on the evidence of a high rate of rejection of Special Benefit applications; and on the reports of community agencies.

4. How adequately was the Special Needs Grants programme meeting client needs?

Respondents of all types reported that Special Needs Grants met some immediate needs. However, the grants were often of only limited assistance to the many clients who had on-going problems, particularly clients who were severely in debt. About half of the Special Needs Grants recipients said the payment they received would be insufficient for their needs. Comments about the adequacy of Special Needs Grants were as follows:

"I still had to go into debt and also have to pay that back, which leaves me nothing. [I] hardly eat two meals a day as that's all I can afford." (a single programme client who received a \$200 Special Needs Grant to pay for the reconnection of electricity supply and a portion of the outstanding bill)

"I don't know what I am going to do. I'm so bogged down with bills - mainly from having to set my daughter up at college. I need a one-off payment to pay my bills but I couldn't get it." (a lone parent with two children who received \$55 for her daughter's school coat)

"I can't manage on \$2.57 per day for food, clothing, medical, entertainment, dental etc; after rent, power and telephone, I'm left with \$2.57 a day." (a single beneficiary, paying Liable Parent Contributions and other debts to the Department, who received a \$50 grant for food and whose application for Special Benefit was rejected)

As well as being asked about adequacy, Special Needs Grants applicants were also asked how fair they thought the outcome was. Thirty-five per cent of clients interviewed felt the result of their application was unfair. They were as likely to believe the result was unfair whether they had received assistance or not.

5. Why did Special Needs Grants sometimes fail to meet client needs?

It appeared that much of the failure to meet need could be attributed to: the policies on recoverability; the \$200 limit; the "same or similar purpose" clause; and the range of categories allowed.

Recoverability: Recoverable payments made up 57% of the total value of Special Needs Grants payments in the period January to August 1992.¹³ Programme clients and community organisations reported that the recoverability of Special Needs Grants was a barrier to the programme in that it discouraged people in need from applying for assistance. Recoverability created additional problems for beneficiaries by reducing their future income.

Many of the programme clients interviewed did not know whether the grant received would be recovered and if so what the rate of recovery would be. For those who knew their grant would be recovered from future benefits, many thought difficulty would arise from the rate of recovery, particularly when recoveries were compounded with other deductions from benefit.

Almost half of the clients interviewed were already repaying other debt to the Department. They were in debt to the Department for a variety of reasons: because they had previously received recoverable Special Needs Grants; because they had previously received overpayment of benefit; because their Liable Parent Contributions were in arrears; or because they had received advances on their benefit. Debts could become compounded, so that relatively large amounts, of up to \$30 per week, were being recovered from the benefit income of some of the clients interviewed. A community agency representative said:

"People can't afford to pay the money back. [It] sometimes stops people applying. In general the majority of need is met except for [this]. We ask the Department to make a grant non-recoverable for clients. When refused we refer for a food parcel. Recoveries build up over time; [they are] set at \$10 a week for each application."

The national statistics and information from programme clients indicated an extensive use of recoverability even where the policy guidelines provided for non-recoverable grants to be made.¹⁴ A client said:

".....it was taking \$10 out of my benefit... I went to the [voluntary agency] and they told me I wasn't [supposed to have] to pay it back because it was for food. [They] rang up and checked it out and ... got back to me. I had to sign some forms to review it so I don't have to pay it back."

The \$200 limit: The \$200 limit was too low to meet some emergency situations. Examples of expenses which tended to exceed \$200 included: tenancy bonds; advance rental; spectacles; hearing aids; dentures; and some electricity reconnections. Comments about the \$200 limit included:

¹³ Management Information Report: Special Needs Grants 12 January 1993

¹⁴ In August 1992 a policy change to the Special Needs Grants programme removed district office discretion to make non-refundable grants refundable and vice versa. This meant that all grants for food and medical expenses were now non-refundable.

"We will not pay if people will still have to pay the balance [for example if there is a] \$500 power bill and Special Needs Grant can only cover \$200." (a DSW staff member)

"I don't think the Department meets the needs of the clients from day one because if they move into accommodation and have to pay a bond, \$200 isn't the bond. The bond is more like \$320 plus another week or two's rent which may be \$300 or \$400. So the \$200 only goes a little way towards it and they have to take the whole of their next benefit to do that. And they are scratching around trying to get furniture and stuff. They are on the back leg before they start. They have not a hope of budgeting; they have not a hope of getting on an even keel for months and months, till they have paid off that bond. Even for people like us to take over and budget for them, there is nowhere to go; there is not enough there." (a community agency representative)

The "same or similar purpose" clause: The clause prohibiting more than one grant per year for the same or similar purpose resulted in the needs of some clients not being met. In some cases, women being harassed and pursued by violent partners needed to re-establish more than once in the course of a year, but were granted assistance only on the first occasion. In other cases, the clause was interpreted in a way that prevented groups of single beneficiaries receiving individual grants to cover larger tenancy bonds for shared accommodation. In addition, people with multiple needs (such as tenancy bond, advance rental, electricity bond and furniture) on moving into new accommodation could receive a grant to meet only one of these needs.

The range of categories allowed: All respondents gave numerous examples of types of essential expenditure not explicitly included in the criteria for Special Needs Grants (although discretion may be used to categorise them as "other") . They included:

Water tank refills }
 Septic tank cleaning } (both in rural areas)
 Firewood
 Car registration and warrants (where a car is essential)
 Furniture removals
 Emergency house cleaning for elderly people
 Curtains
 Telephone
 Legal aid deposit
 Preventive dental treatment

6. What were the policy issues surrounding Special Benefit?

There was widespread confusion as to what this programme was designed to achieve. Community agencies and clients believed the programme definition to be too restrictive to be of assistance in meeting clients' essential commitments. There was a clear need for on-going supplementary assistance amongst many of the Special Needs Grants applicants. However, such clients were not always in "special or unusual circumstances" as required by the criteria. Their need arose from the high ratio of their accommodation costs compared with their income. One third of the sample of Special Needs Grants and Special Benefit applicants and recipients (one half of the single people) were paying more than 60% of their income for accommodation.

Special Benefit is effectively an accommodation subsidy. Increases in the rents charged by Housing New Zealand can be expected to lead to Special Benefit applications. By contrast, the introduction of the Accommodation Supplement will reduce the Special Benefit entitlement of some of those paying for accommodation on the private market, because the Accommodation Supplement will increase their income.

Some offices restricted the term for Special Benefit where accommodation costs were judged too high, and encouraged clients to move to cheaper accommodation. There was anecdotal evidence that such policies, coupled with Housing Corporation rent increases, had contributed to migration to rural areas where there was cheaper accommodation, which was sometimes substandard, or to overcrowding in urban accommodation.

There is a case for limiting the period of Special Benefit payment where it is assisting people to meet high pre-benefit commitments while they rearrange their affairs. However, it would seem most appropriate for Special Benefit to be granted as an on-going supplement when it is provided to assist low income people to meet the costs of market rates for modest accommodation.

It appeared that a significant proportion of Special Needs Grants clients, particularly single people, would qualify for Special Benefit (or at least be in deficit) but were not being offered it. Using the Special Benefit calculation (income minus accommodation costs minus standard income), one third of the programme clients in the sample¹⁵ were in deficit of more than \$20 per week. However, the proportion (62%) found to be in any deficit at all appeared to be inflated by people who were not receiving their full entitlements to other supplementary assistance, such as Accommodation Benefit or Guaranteed Minimum Family Income.¹⁶

There would appear to be a high rate of rejection of Special Benefit applications. Using information from the interviews of Special Benefit applicants, the researchers found that six

¹⁵ This sample totals 99 and excludes: those on benefit stand down, those who were already receiving Special Benefit, and those who did not provide sufficient information on their income or outgoings to enable the calculation to be made.

¹⁶ This was ascertained by examining the details of income, accommodation expenses and family type and size reported by the programme clients interviewed and comparing their reported income with the income they would be expected to receive, given their full entitlements.

of the nine applicants who knew the result of their application were declined Special Benefit. Using national statistics, the rejection rate during June 1992, a month close to the time period of the study, is estimated at 38%.¹⁷ The high decline rate reflects the restrictiveness of the policy for Special Benefit.

The criteria for Special Benefit could be simplified so that it is easier for staff and clients to gauge whether someone would qualify. This would also be assisted by simplifying the application form.

7. Why did the Special Benefit programme sometimes fail to meet client needs?

There were cases of real need being excluded from Special Benefit by the requirement to maintain a \$20 deficiency, the allowable fixed costs and the amount of standard income.

The standard income: The standard income is the minimum amount which the Department considers applicants need for everyday living expenses, apart from accommodation. Everyday expenses include food, clothing, personal expenses, electricity, gas, transport, house contents insurance, life insurance, hire purchase for non essential items, training related costs, deductions from benefit, court fines, and repayments of other debt.

The rate at which standard income is set is crucial to the effectiveness of the Special Benefit programme. The perception of programme clients, staff and community organisations was that the standard income did not reflect actual living costs, and was too easily manipulated to reduce expenditure on the programme. The Household Expenditure and Income Survey for the year ended 31 March 1992¹⁸ reported increases in spending for educational and tuitional services (20%); health services (18%); medical goods (13%); rent (10%); rates (6%); and domestic fuel and power (6%). In view of these and other changes in expenditure and incomes, further research into the adequacy of the standard income is desirable.

The \$20 deficiency: Many respondents thought it was unreasonable that the procedure for calculating Special Benefit disregarded the first \$20 in the applicant's deficiency in income. The result was often that the amount granted was too small to be of much assistance in a desperate situation. One former recipient of Special Benefit said:

"We don't manage, we just do our best. Special Benefit was granted last year at \$2.83 [per week]. We thought it was to help you, but it was a joke; it wasn't worth the hassle. It was reviewed and stopped after a few months."

¹⁷ Calculated from SWIFTT returns.

¹⁸ Department of Statistics, Hot Off the Press: Household Expenditure and Income Survey for year ended 31 March 1992

Allowable fixed costs: The concept of fixed costs was not widely understood, especially by programme clients. Special Benefit covered some debts and not others. Programme clients and community agencies believed that items such as telephones, insurances and schooling costs should be regarded as fixed costs.

8. Were there other areas of unmet need?

There was evidence from the programme clients in the sample and the community agencies that many people on benefits and low incomes were going without basic necessities. Particular concerns were:

- people reducing their food intake
- people living in inadequate housing
- people going without health care
- children being unable to participate in school programmes such as trips and camps

Needs not met by either programme were:

- doctor and pharmacy charges (provided for but frequently not accessed by those who needed assistance)
- schooling costs
- the additional costs of raising teenage children
- the care of children by non-custodial parents during access times
- debts (including those to the Department)
- fines
- insurances

Possible policy responses to these areas of need are discussed in section nine below.

The clients in the most severe hardship were those facing or recovering from benefit stand-down. Two of these stated:

"I lived in a car for 26 weeks. I did odd jobs, mowing lawns for \$5 to buy tea. I came across other people but they all had places they slept. I was stood down for another two weeks after the 26 week stand down. I applied for a Special Needs Grant but was refused." [a potential programme client who had completed a "voluntary unemployment" stand down.]

"I rang when we were put on an eight week stand down for high income. They told me about Special Needs Grants when I cried over the phone..... We have now found out that we have to pay it back out of our benefit at \$10 or \$20 a week".

A community agency representative said:

"Actually, the number of people who come to us who have no income, that number really quite amazed me. It was about one in ten or one in nine. That covers stand down; it's people who have had a redundancy pay, holiday pay, that kind of thing."

There was anecdotal evidence that fear of incurring a future stand down, particularly among people who had experienced previous redundancies, had the effect of deterring some clients from taking jobs. Although redundancy stand down was abolished in November 1992, a full review of all stand down policies is desirable.

9. What are the issues surrounding the interface between these programmes and other programmes?

The two programmes were found to meet different and distinct needs although some clients were common to both. Often clients who had made multiple applications for Special Needs Grants had on-going needs which would have been met more effectively by a Special Benefit. Not all who would qualify for Special Benefit were being offered the opportunity to apply.

The Special Needs Grants programme could, with some categories extracted, retain its purpose as an emergency payment system. A less restrictive Special Benefit programme would help to meet the needs of those making repeated Special Needs Grants applications. The discretionary element could be removed from Special Benefit, so that it becomes an entitlement to all who qualify.

A further approach which attempts to reduce repeated applications could be developed towards applicants for Special Needs Grants. The New Zealand Income Support Service could, when people request emergency assistance: investigate their supplementary entitlements (including Special Benefit, Accommodation Benefit/Supplement, and Disability Allowance); reassess their rate of debt recovery to the New Zealand Income Support Service; and/or refer non-beneficiaries for assessment of their entitlement to Guaranteed Minimum Family Income. A mechanism could be developed to incorporate such a reassessment into the application procedures for Special Needs Grants.

Some of the functions currently fulfilled by Special Needs Grants do not fit comfortably into the programme and can be perceived to provide inequitable assistance to the target groups for those functions. The main functions which do not fit are:

- support during benefit stand down
- re-establishment grants
- the rural assistance scheme

These functions could be separated from the Special Needs Grants programme. This would make the extent of need for assistance in these areas more visible. These functions would be reviewed more effectively as separate programmes, using a process involving their distinct groups of stakeholders. The separation of these functions would also enable the Department

to quantify more accurately the extent of need for emergency assistance for the basic categories of Special Needs Grants.

The evaluation revealed problems for low income people in meeting the on-going costs of schooling and the additional costs of raising teenagers, problems which are outside the scope of emergency programmes. Separate programmes (or modifications of existing programmes) to meet these on-going needs could be developed as additional supplementary assistance.

Accommodation and some health care expenses also tend to be on-going needs not adequately met by an emergency assistance programme. Existing supplementary programmes for accommodation and health care could be modified to ensure these needs are met.

The interface between Special Needs Grants and the Advance on Benefit programme was still a source of confusion to some staff, despite the availability of circulars attempting to clarify this.

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OPERATIONAL ISSUES

10. Were there barriers to the programmes?

Neither programme was sufficiently accessible to those needing assistance. Government has placed increased emphasis on the targeting of social assistance. If equity is to be achieved, it is necessary that Government make correspondingly increased efforts to ensure that assistance is accessible. Some of the barriers to access were a consequence of the restrictive eligibility conditions as previously described, but further barriers were created by the Department's operational procedures.

Operational barriers to access included a lack of clear, accurate and consistent information about the programmes; a variable quality of service provided by staff; unhelpful attitudes to clients among some staff; and processes which discouraged application. Some of the operational issues identified in the following paragraphs have already been addressed following the establishment of the New Zealand Income Support Service as a separate service. Other operational issues are now being or will soon be addressed by that Service.

Lack of information

Income Support staff reported that there was insufficient information available to clients about the assistance that was available to them. Staff often did not have time to explain complex policies. A number of staff believed that there was not enough advertising, to non-beneficiaries in particular.

Community organisations reported that access to the two programmes depended on client knowledge of what was available and staff willingness to give the appropriate information; that staff on the whole did not tell people what their entitlements were; and that there was often inconsistency in the information when it was given. In particular, there was often inconsistency between written and verbal information. On the whole, staff were seen as confused and uninformed. Community agencies also believed that information was often not communicated effectively to Maori clients or to clients whose first language was English. Agency representatives stated:

"A woman was dropped off at 9 am with a note to please phone the interpreter when someone was ready to see her. The interpreter waited at work for a phone call - nothing happened - the interpreter called back at 3.30 pm and asked at reception what happened to this woman's forms. An officer of the department went looking for the form, found it and immediately called this woman in for an interview - she had waited all day."

"There doesn't seem to be any consistency in information given out - people will tell you different things. Someone will go in for furniture - the staff will say 'you can have this and this' and another staff will have a different list. No consistency whatsoever. Causes a lot of ongoing hassles for people in the community."

Most (61%) of the programme clients interviewed had had some knowledge of Special Needs Grants before approaching the Department. A much smaller proportion (22%) knew about Special Benefit. Friends and family were the most frequent source of information, followed by departmental staff. Pamphlets were an infrequent source of information and those who had used them found them confusing or misleading. Most of the clients interviewed preferred the information to be passed on verbally by staff. Some comments about the information available were:

"It could be improved by everybody knowing the system. Saying what you're entitled to rather than getting different stories from different people."

"They should explain to people there are more options. They won't tell you anything they don't have to. People get stressed out and it puts a damper on the interview."

".... be more informative about what there is available. It took them from March when I first applied until four weeks ago [beginning of May] to tell me I could apply for a special hardship or needs grant." (Programme client on benefit stand down)

The evaluation has not produced information about the level of awareness of the two programmes among the general population. However, the small number of non-beneficiaries applying for either programme would suggest there is a low level of awareness among this group.

The budgetary implications of running systematic publicity campaigns advertising emergency assistance have led to a reluctance by the Department to make information available in this way. However, the selective and piecemeal way in which information is provided to potential applicants has led to inequity in that it is mostly those with information who receive assistance. Some of this can be resolved by ensuring that it is widely known that the New Zealand Income Support Service is a source of assistance for those in need, and by ensuring adequate information is available for all who seek assistance.¹⁹

Variation in the quality of service provided by staff

The quality and professionalism of the service provided by staff have a strong bearing on the accessibility of the programmes. Programme clients and community organisations from all districts reported wide variation in the standard of service offered within offices.

The programme clients interviewed were evenly divided over whether staff had been helpful or unhelpful. Over half of the programme clients believed improvements could be made in the area of staffing, such as increased staff numbers, or more staff training.

¹⁹ In 1993 the New Zealand Income Support Service engaged in a broad information campaign.

Asked about any difficulties they had in applying, a significant proportion (one quarter) of all programme clients interviewed spoke of the personal cost or humiliation they felt in asking for assistance. Although this is a cost that will always exist, it is vital that staff develop a manner and practice which minimises this invisible barrier to applying. Some comments by clients about their experience of applying were:

"[It was] excellent - a supercool young [person]. They knew I'd had an accident and were sympathetic; they asked about what put me there [and] I asked about rent, rates, phone, power, food, buying a car, shoes for the children and my son at varsity."

"She was a good interviewer. I pay rent every two weeks. I'd fallen behind due to going to job interviews; she suggested I pay the rent weekly instead of fortnightly, a good idea..... She gave me the name of a place where I can get blankets.... I will have to pay back the food money."

"[I spent] the first hour of the interview arguing and fighting. I was told even though the circumstances were unusual, it wasn't urgent dire need. They brought in the supervisor [who] refused because I'd already had They waited until I broke down; why did they have to drag me through all that and make me beg?"

"I told the interviewer we were down to one meal a day and [they] said 'That's got nothing to do with me.'"

"[It was] walking through the door and saying 'please help me'. I hate admitting I can't handle it"

"[It was] the stomach turning over and worrying about being rejected."

Community organisations had observed: that there was a wide variation in the willingness of staff to be helpful; that some staff made personal judgements about client needs or had an attitude of blame towards the client; some staff in provincial areas did not maintain client confidentiality; and that some younger staff had a disrespectful attitude toward older people.

"Maori elders feel that a lot of young people in DSW talk down to them ... They can't understand the elders."

"We have situations where women are too afraid to go back; people are disempowered by the DSW situation when turned down; this makes them feel small. It shouldn't be necessary for people to compromise their dignity."

They also said that clients always received better service and were more likely to have applications accepted when accompanied by an advocate. Community organisations found they were obliged to spend a high proportion of their time in an advocacy role. The community organisations did, however, acknowledge the pressures that Income Support staff worked under.

Staff themselves reported that decisions within the two programmes could be based on personal values which had no place in the decision being made. Some staff approved or

declined applications on the basis of the perceived "genuineness" of the client, without evidence to confirm their perception. - Some staff felt that the age and experience of staff had a strong bearing on their attitudes and competence.

The variation in staff attitudes and competence appear to be more marked within than between district offices. Measures which reduce the pressure on individual staff and which ensure all staff receive appropriate and standard training, both in the application of policy and in objective interviewing and assessment techniques, would address this problem.

Application procedures

Some aspects of the procedures for applying for the two programmes had improved during the previous year. The time taken to process applications and waiting time in the office had both reduced (although clients from city offices were likely to spend longer times waiting for an interview than those in provincial offices). Clients found the application form for Special Needs Grants satisfactory. However other aspects of the procedures seriously reduced accessibility to the programmes.

Special Needs Grants: - Community organisations and programme clients thought it was inappropriate for the Department to impose delays in granting appointments for people in urgent need. They also said that receptionists, both telephone and counter, frequently turned people away without arranging an interview. A receptionist stated:

"People come to the counter to ask for a Special Needs Grant. I will ask them what they want it for. If I think it's viable that they need it then I will go and see someone out the back, if they don't need it I'll just say no - because it's only wasting their time and staff time."

Community agencies and programme clients stated that some staff would decline a client without giving them the opportunity to complete an application form. The brevity of the assessment interview reported by some programme clients is also of concern; 26% were interviewed for five minutes or less.

Although curtailing or avoiding an interview can be seen as an efficiency measure on the part of staff, the practice of denying potential applicants a full assessment has meant that people who would potentially qualify are being turned away. The nature of emergency need is such that it cannot be adequately assessed in short exchanges over the telephone or at the reception counter. Moreover, the practice of declining applicants without an interview or application form means that no record is kept of the exchange, that staff are not held accountable for those decisions, and that applicants have no access to review rights.

Clients could also be declined Special Needs Grants because they were not able to provide receipts justifying their expenditure. In some cases there were delays and extra costs to the clients in obtaining such documentation. An alternative procedure for justifying expenditure is needed in cases where receipts can not easily be made available.

Special Benefit: Staff reported that the complex process of applying for Special Benefit was a burden to both programme clients and staff, and increased staff workloads. They stated a

number of applications were declined because the time taken to obtain the information exceeded the processing time provided for in the performance standard. One third of Special Benefit applicants and recipients had found the information required for application difficult to obtain.

Staff stated that they found it difficult to identify clients who might potentially qualify without going through the application process. They also felt that the process of applying for Special Benefit raised client expectations about the outcome. During the application process staff made an apparent full assessment of the client's situation, while in fact only some of the client's costs were taken into account in the decision to grant or decline. It seemed unnecessary to ask clients for detailed budgets and evidence of all debts when only expenses defined as fixed costs could be considered.

Few Special Benefit applicants found the application form satisfactory. Those who found it unsatisfactory stated it was confusing, had unnecessary questions and provided no opportunity for the applicant to explain why assistance was needed.

Many of the problems associated with processing Special Benefit relate to the complexity of the policy and the associated complexity of information required to complete an application. The strict targeting of this programme, while reducing its cost, has reduced both its accessibility and its capacity to meet need.

Restricted office hours, difficulties in accessing offices etc.

All types of respondents reported that, for people in emergency situations in more remote areas, the costs of obtaining assistance were high. The functions of satellite offices and outreach workers were limited. Referrals still had to go to branch offices for decisions, a practice which sometimes resulted in delays or in recommendations being overturned.

The community organisations interviewed supported more localised offices, more mobile client services officers and extended opening hours in Department of Social Welfare offices. The programme clients suggested improvements to accessibility such as a downstairs area for Domestic Purposes Benefit clients; self opening doors for people with disabilities; more localised branch offices and provision for home visits.

11. How was discretion used within the two programmes?

There is a tension within the two programmes in that both operate within a defined and detailed prescription of qualifying criteria, and yet both allow assessing staff discretionary powers. Discretion appeared to be exercised in a number of ways: over the perceived "genuineness" of the client; over the decision to offer the opportunity to apply; over the amount to grant as a Special Needs Grant; over the decision to make a grant recoverable or non-recoverable; over whether or not to approve a grant for which there was no category specified in the manual; and over the kinds of costs which could be allowed as fixed costs for Special Benefit. Staff can also interpret the rules in different ways. This is discussed in section 12.

Many staff preferred a clear policy with little room for discretion. They felt more specific guidelines were needed for the meaning of terms such as "special or unusual circumstances". Some staff were concerned that the use of discretion could reflect the values of staff and their attitudes to programme clients. They felt that room for discretion led to inconsistencies and that training was needed in the use of discretion. Difficulties sometimes arose because the interviewing staff did not always make the decision approving or declining an application.

The community agencies interviewed believed discretion was not used where it was called for and that discretionary decisions most often went against the client. An example given was where staff decided to recover non-recoverable Special Needs Grants. Many community agencies would also prefer a clear policy with no room for discretion:

"Ideally we would like to see the criteria being really clear, easily read, totally available, so that you can come and say 'I know this is available; this person fits the criteria, therefore she should get it'; not 'can she have it?'"

A failure to use discretion for emergency situations was evident where, in the client sample, four of the ten Special Needs Grants applicants who could be described as being in immediate crisis (eg a woman and her children needing to leave a home where there was a violent male partner) were declined assistance, largely because they did not meet the criteria. A staff member stated:

"Some people have genuine needs but don't fit the criteria and so we decline. The genuine people are often being penalised."

The programme clients interviewed frequently believed decisions were a result of a value judgement made on the part of staff. Some clients were frustrated by representing their case to a staff member who was not responsible for the decision. Many clients did not understand the policies and why applications were accepted or declined.

"The rules seem to change all the time."

"You can always explain it reasonably well to whoever you explain it to; but they are not the ones making the decisions. You wonder what is lost in the interpretation. I've been asked 'what have you spent your money on' by an 18 year old who has never had to feed two teenagers. They go out the back to make a decision and they're in and out. They haven't even had time to explain."

The dilemma for programme designers is that a flexible discretionary system in which individual staff have the capacity to approve or decline according to their assessment of the individual situation can result in inconsistencies and inequities within and between different districts. Moreover, a successful discretionary system requires that resources are committed to producing a professional, competent and highly trained staff with interviewing and assessment skills similar to those required of social workers. Discretionary powers need to be exercised by staff with both the knowledge and delegated authority to make a good decision.

A latent function of a discretionary system is that it can be used to encourage staff to operate within a defined budget. This means that the status of the district budget can set limits to the assistance available, rather than the circumstances of the "last", but possibly most needy person through the door. Any attempt to achieve budgetary restraint in this way results in a lack of transparency and frustration for those attempting to gain access to the programme.

Tightly prescribed programmes with little room for discretion can ensure more uniform and thus equitable delivery throughout the country. On the other hand, a more uniform delivery can be inflexible and insensitive to individual emergency need. Controls on expenditure within such programmes are, however, more transparent.

12. How consistent was the operation of these programmes across the country?

In addition to variation in the use of discretion, inconsistencies in the interpretation of policies occurred between district offices, sections within offices and individual staff. This resulted in confusion for programme clients, and produced a lack of faith in departmental staff and mounting feelings of resentment and injustice.

There was evidence from the staff and community agency responses of separate and different policies being devised in district offices. Examples of these were:

- in one district all Special Benefit grants were limited to three months as a matter of course (the other five districts granted Special Benefit with six month reviews);
- two districts would not give Special Needs Grants to single people for tenancy bond, clothing or support during benefit stand down;
- in one district people were permitted to buy only second hand goods with Special Needs Grants;
- in one district during May 1992, staff were instructed to cease approving applications for Special Needs Grants.

One community agency representative stated:

"It is frustrating to have the criteria, then to have someone who fits the criteria and to be told, sorry, we have made a local policy that we don't... (sic) We had that happen earlier in the year with school uniforms. Nationally DSW said that help was available to pay for school uniforms. In our area, DPB [section] would pay for school uniforms but UB [section] would not. What came out in the newspaper was that DSW did provide for school uniforms, so they had a sort of supermarket sale. The first Wednesday, Thursday and Friday before school started they would allow SNG for school uniforms but if you came in a week before, you were not entitled to it and you would have been told no."

There was also evidence of different interpretations of policy being followed in different sections in the same district office. For example, in one district the Domestic Purposes

Benefit and Unemployment Benefit sections diverged over which categories of Special Needs Grants were to be recoverable. In another district the two sections differed in the amount of money they allowed for a week's supply of food for a family. A community agency representative stated:

"We have one here relating to medical expenses. You can take an outstanding medical bill to DPB [for instance] where legal action has been threatened; DPB will pay that. You can take the same circumstance to UB and they will turn it down because it is not an unusual situation."

Different interpretation of policy by different staff members could be seen in the fact that some devised their own rule allowing only one Special Needs Grant per person per year for any reason; and in differences in the sorts of circumstances in which they maintained a client should be offered the opportunity to apply for Special Benefit.

The staff group interviews identified frequent changes in policy as one source of inconsistencies in delivery. Many of the staff interviewed found it difficult to keep up with constant changes in policy. The information was not easily found in one place but in many different circulars. Policies were sometimes unclear. This created a situation where some staff were aware of policy changes and others were not. Different offices had different ways of disseminating information about policy changes. Some practices, such as the circulation of memoranda could result in considerable delays in information reaching individual staff.

One supervisor stated:

"Normally they are verbally briefed and depending on how big the change is they're given copies of circulars. In the past we've also drawn up ready reckoners or a checklist that staff can have beside them so if they're not sure whose delegation it is, or do we pay for this, or is it recoverable or non recoverable, they can sort of refer to that. But again it takes a bit of keeping them up to date, because they change so often."

Another source of inconsistency was the variation in the amount and quality of staff training. Again, senior staff found that frequent changes in policies meant that it was difficult to develop training programmes. The level and types of training ranged from an absence of training beyond what staff learned "on the job", to assessment of staff competence by means of specially developed modules.

Community agencies believed the practice of staff rotation, in addition to frequent changes in policy, were two of the main reasons leading to inconsistencies. Some community agencies provided evidence of inconsistency in situations where their clients in comparable circumstances received widely different entitlements. Community agencies generally believed substantial improvement could be achieved through standardised training programmes for staff in the areas of policy, interpersonal skills and communications skills.

This evidence of inconsistency reveals much of the complexity in the delivery of supplementary programmes to meet emergency needs. Inconsistencies between and within districts led to inequity in the delivery of the programmes. Measures such as standardised

staff training programmes, a reduction in the rate of policy change (particularly within the Special Needs Grants programme) and identification of factors which might encourage district compliance with the policies, would all contribute to ensuring that people in need of assistance receive equitable treatment.

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RECOMMENDATIONS

The recommendations arising from the evaluation of the Special Needs Grants and Special Benefit programmes are outlined below. These have been grouped in terms of policy recommendations, operational recommendations and recommendations for further research.

POLICY RECOMMENDATIONS

To ensure that those in emergency situations receive effective assistance, it is recommended that:

Special Needs Grants

1. Action is taken to reduce the use of recoverability within the Special Needs Grants programme, to address the situation of the many clients who are making multiple repayments and facing mounting debt to the New Zealand Income Support Service.
2. Provision is made for an upper limit greater than \$200 for specific situations for which a \$200 limit is inadequate.
3. The clause prohibiting more than one grant per year for the same or similar purpose is revised for situations where the application of the clause results in failure to meet emergency needs.
4. The following categories are added to the areas of need covered by the programme: water tank refill; septic tank cleaning; firewood; car registration and warrant; emergency furniture removal; emergency house cleaning for elderly people; curtains; telephone; legal aid deposit; and preventive dental treatment.
5. The following are developed as discrete programmes separate from the Special Needs Grants programme:
 - support during benefit stand down
 - re-establishment grants
 - the rural assistance scheme.

Special Benefit

6. The Special Benefit programme is modified to be less restrictive, in order to meet the needs of those with chronic income shortage and to reduce the need for repeated applications to the Special Needs Grants programme. Modification should involve removal of the requirement that those who qualify must be in "special or unusual circumstances".
7. The criteria, application process and application form for Special Benefit are all simplified.

8. The standard income is investigated to ensure its adequacy in meeting everyday living expenses.
9. The criterion for Special Benefit which requires the maintenance of a deficit of \$20 in the budgets of those who qualify is relaxed or removed.
10. The range of items which can be assessed as fixed costs is extended.

Other programme areas

11. Measures are taken to ensure that basic needs outside the scope of the Special Needs Grants or Special Benefit programmes, such as the costs of education, the additional costs of raising teenagers, on-going accommodation costs and health costs are met through new or existing supplementary programmes.

OPERATIONAL RECOMMENDATIONS

To ensure that people in emergency need have equitable access, and to minimise the barriers to either programme it is recommended that:

12. Access to information about both programmes is improved to ensure consistency and clarity. That greater efforts are made to inform non-beneficiaries, in particular, of the availability of the programmes.
13. Steps are taken to ensure that staff are aware of and apply the correct criteria when making assessments.
14. Staff are provided with additional training in interviewing and assessment techniques. This is particularly important if the programmes retain a discretionary element.
15. Steps are taken to improve staff skills in communicating with clients, particularly with those whose first language is not English.
16. Procedures are instituted to ensure that urgent need receives urgent attention.
17. Procedures are instituted to ensure that all who apply for Special Needs Grants receive a full interview to assess their situation and that all applications are recorded.
18. An approach which reduces the need for repeat applications is adopted with Special Needs Grants applicants. In particular that, at the time of application for Special Needs Grant, they are offered a reassessment of their supplementary entitlements and of their level of debt recovery to the New Zealand Income Support Service.
19. Steps are taken to ensure that the decision to accept or reject an application is made by the staff member who carries out the interview.
20. Access to assistance is improved for people living in remote areas.

21. Measures are put in place to improve the consistency of administration between different offices, within offices and between different staff members.

RECOMMENDATIONS FOR FURTHER RESEARCH

It is recommended that further research is undertaken in the following areas:

- 22 ~~20~~. Income adequacy, including the adequacy of basic benefits and of the standard income for Special Benefit.
- 23 ~~21~~. The impact of benefit stand down policies.
- 24 ~~22~~. The effectiveness of: (a) the rural assistance scheme
(b) the re-establishment grants.
- 25 ~~23~~. The extent of knowledge of emergency supplementary assistance among potential applicants in the general population.

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UPDATE ON RECOMMENDATIONS AS AT MARCH 1994

As stated in the introduction, this report was based on fieldwork carried out in April and May 1992. Since the report was produced action has been taken on a number of the recommendations. This is summarised below for the interested reader.

Recommendations 1 to 11 are the subject of a Ministerial review which is nearing completion. Recommendations 12-21 are all operational and have all been addressed by the New Zealand Income Support Service as outlined below.

12. The New Zealand Income Support Service has developed a comprehensive range of information brochures that include details about the special needs grants and special benefit programmes. In addition, all district offices provide services requiring staff participation in community awareness and public relations exercises. The purpose of these exercises is to promote knowledge of income support programmes, especially those programmes designed to reduce financial hardship.
13. The manual instructions for both programmes have been updated and a seminar on the special needs grant programme was completed in November 1993.
14. Comprehensive staff training has been undertaken and is ongoing particularly for new members to the organisation.
15. All district offices develop their own initiatives to look at resolving the difficulties with non-English speaking customers. Staff will call on local community groups and their own colleagues who have knowledge in other languages in an effort to ensure customers' needs are properly met and that neither party is misunderstood.
16. The Service has made a commitment to ensure that applications that have all the necessary verification details, are processed when they are lodged.
17. This is now happening. In most instances, requests for special needs grants prompt a
18. full interview and overall review of the customer's financial circumstances including supplementary entitlements and level of debt recovery. Increasingly, front line staff are becoming multi-skilled and able to give customers a more comprehensive assessment.
19. In general staff members interviewing customers regarding their entitlement and special needs grant also make the decision to grant or decline. The exception to this is those cases where the amount of money required exceeds the normal grant criteria. In these cases, the staff member's Manager is also included in the approval process.
20. See also response to question 12. Various initiatives are being developed, and in some cases are already in existence. Local offices have developed services to meet the needs of their particular geographical areas. Some new offices have been opened and activities at others expanded to cover a wider range of services. The New Zealand Income Support Service is committed to making its services easily accessible to all who need assistance.

21. The various policy guidelines have been consolidated into comprehensive manual instructions. In addition, further training by way of seminars has been and will continue to be carried out.

Comments on the recommendations for further research are as follows:

22. **Income adequacy, including the adequacy of basic benefits and of the standard income for special benefit:**

Income adequacy is an aspect of a number of pieces of work initiated by the Department recently. Two projects on the research work programme relate to income adequacy. These are:

- a specific project on income adequacy - a scoping study to identify what work has been done on this subject, and how that can be best augmented to provide better information;
- the development of a welfare monitoring system - work towards establishing a system which will capture appropriate routine indicators.

The Department has also been liaising with the Foundation for Research, Science and Technology, identifying adequacy issues as a priority for Public Good Science Funding.

In addition, the Department has funded or part funded some other work related to income adequacy. This includes a study of budgeting by low income families, with the University of Otago, and a study of intra family income and resource allocation by private researchers.

23. **The impact of benefit stand down:**

While no research has been undertaken in this area, the impact of benefit stand downs is continually monitored through the special needs grant programme which provides emergency assistance to people suffering financial hardship as a result of benefit stand downs imposed.

24. **The effectiveness of:** (a) the rural assistance scheme
(b) the re-establishment grants

The rural assistance scheme and the re-establishment grants are incorporated in the current review of the supplementary assistance programmes. The effectiveness of both of these components are being examined in that context.

25. **The extent of knowledge of emergency supplementary assistance among potential applicants in the general population:**

The Department has taken steps to improve the information available to the public about programmes its administers. There have been media information campaigns and a re-write of all pamphlets.

Subsequent research on the level of public knowledge has not been commissioned, and is not considered appropriate until the outcome of the current policy review has been implemented.

APPENDIX 1

Special Needs Grants

The objectives of the Special Needs Grant programme are:

- to provide financial assistance to meet immediate need in emergency situations; and
- to ensure that the financial assistance is provided within the limits and for the reasons prescribed by the Minister of Social Welfare.

There are three basic conditions which must be met before payment of a Special Needs Grant can be approved. These are:

- (i) that an emergency situation exists;
- (ii) that the need cannot be met in any other way; and
- (iii) that the applicant has insufficient financial resources to meet the need.

Special Needs Grants are generally limited to one payment for the same or similar purpose within 52 weeks or one year and a maximum grant of \$200. However the maximum limit of \$200 may be exceeded where exceptional circumstances exist.

More than one Special Needs Grant may be approved for food in a 52 week period, but the cumulative total of Special Needs Grants for food in a 52 week period cannot exceed the following amounts:

- | | |
|---|-------|
| - single person with no dependent children | \$150 |
| - married couple with no dependent children | \$200 |
| - married couple or single person with dependent children | \$300 |

More than one Special Needs Grant may be approved for clothing in a 52 week period. The cumulative total of Special Needs Grants for clothing in a 52 week period cannot exceed the following amounts:

- | | |
|--|-------|
| - single person with no dependent children | \$150 |
| - married couple with no dependent children and sole parent with one child | \$300 |
| - married couple with children and sole parent with two or more children | \$400 |

Special Needs Grants approved for the following reasons are to be made non-recoverable in almost all cases :

- food
- bedding
- emergency travel
- fire loss, burglary

However, Special Needs Grants made for the following reasons are to be made recoverable:

- accommodation
- tables, chairs, beds
- electricity, gas
- bond, tenancy
- washing machines, fridges
- funerals, tangihanga
- child car restraints, cycle safety helmets
- telephone installation
- clothing

Until August 1992 there was discretion to make non-recoverable Special Needs Grants recoverable, but no discretion to make recoverable Special Needs Grants non-recoverable. However a policy change on 24 August 1992 cancelled Branch Office discretion to make non-recoverable grants recoverable.

Other types of costs covered by the Special Needs Grant programme are: school and educational costs; re-establishment costs; the living costs of people affected by benefit stand downs; special assistance to the rural sector; clients transferring from social security benefits to guaranteed retirement income; and medical costs.

Special Benefit

A Special Benefit is paid to people whose usual income is insufficient to meet their essential on-going living expenses because of some special commitment. The Special Benefit is available to both beneficiaries and non-beneficiaries.

The Special Benefit must be used as a way of assisting those with ongoing special or unusual commitments rather than those with an urgent need who can apply for a Special Needs Grant. Before granting a Special Benefit all other avenues of assistance must be investigated. For example, checks must be made on whether the person is receiving the correct rate of parent benefit, and in the case of non beneficiaries on whether they should be receiving Guaranteed Minimum Family Income.

Eligibility for a Special Benefit is determined using a formula comparing "chargeable income", after deducting fixed costs, with a standard income figure.

Chargeable income is made up of:

- the benefit payable
- other income charged in the assessment of the parent benefit, for example, wages, accident compensation, maintenance
- Family Support
- Handicapped Child's Allowance
- Disability Allowance
- War Disability Pension
- Orphans/Unsupported Child's Benefit
- Child Care Subsidy
- Training Incentive Allowance.

Fixed costs are expenses of a fixed weekly, monthly or annual amount which cannot readily be avoided or varied. These include:

- accommodation costs (mortgage, rates, house insurance or rent/board)
- hire purchase commitments for essential items
- costs arising from special circumstances, for example, high medical expenses in excess of the maximum Disability Allowance
- regular expenses arising from disablement or relating to the care of a handicapped child
- Major Repairs Advance interest;
- car repayments and running costs where a vehicle is considered essential; and,
- for non-beneficiaries, public transport to work and compulsory union fees.

Not all fixed costs need to be included in the Special Benefit assessment. District Offices must decide whether each item is essential, reasonable, and cannot readily be varied.

Fixed costs do not include: food; clothing; personal expenses; electricity; gas; car expenses (except for those above); deductions from benefit; court fines; repayments to collection agencies; house contents insurance; life insurance; private medical insurance; hire purchase for non-essential items; and training-related costs.

Standard income is the minimum amount which the Director-General considers applicants need to meet their everyday living expenses apart from accommodation costs.

The Special Benefit is calculated as follows:

1. identify fixed costs;
2. establish income from all sources;
3. subtract fixed costs from income to establish disposable income;
4. subtract standard income from disposable income to establish a deficit or surplus;
5. if there is a deficit, subtract the standard deduction of \$20 from the deficit to establish calculated entitlement, subject to an upper limit of 30 percent of fixed costs;
6. Special Benefit payable is the lower of the calculated entitlement and 30 percent of fixed costs.

Where a deficit results, the person can be paid either a continuing or lump sum grant (where a lump sum would reduce the deficiency and prevent the need for a continuing grant) of Special Benefit. The \$200 Special Needs Grant limit does not apply to the lump sum payment of Special Benefit.

RELEASED UNDER THE
OFFICIAL INFORMATION ACT

APPENDIX 2:

SPECIAL NEEDS GRANTS

Number of Payments

Six Months ended 30 June 1992

